

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7488

BILL NUMBER: HB 1508

DATE PREPARED: Jan 6, 2001

BILL AMENDED:

SUBJECT: IURC Approval of Certain Transactions.

FISCAL ANALYST: John Parkey

PHONE NUMBER: 232-9854

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the following transactions require approval by the Indiana Utility Regulatory Commission (IURC) after a hearing:

- (1) The reorganization of a public utility.
- (2) A transaction in which a public utility acquires control of a public utility, an out-of-state utility company, or a holding company.
- (3) A transaction in which a person acquires control of a public utility or the holding company of a public utility.
- (4) A transaction in which a holding company that controls at least one public utility acquires control of an out-of-state utility company.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill contains provisions requiring that certain transactions involving mergers, reorganizations, or the acquisition of control of public utilities must have the approval of the IURC after a hearing. The IURC should be able to meet the requirements of this legislation given its current budget and resources. The Office of the Utility Consumer Counselor (OUCC) would also participate in any utility merger approval proceedings. Any additional cost to the OUCC is expected to be covered using existing personnel and resources.

The IURC and the OUCC are funded through the Public Utility Fee. At the end of each fiscal year, if all public utility fees collected plus the unspent balance of the Public Utility Fund exceed the appropriations for the IURC and OUCC (plus a \$250,000 contingency fund), then the IURC computes each utility's share of the excess amount. Each utility's share is then deducted from any subsequent payment of that utility's Public Utility Fees. In FY 2000, \$8,053,986 was generated through the Public Utility Fee.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Utility Regulatory Commission; Office of the Utility Consumer Counselor.

Local Agencies Affected:

Information Sources: Mike Leppert, Executive Director for External Affairs, IURC, (317) 232-1724; Anthony Dzwonar, External Affairs Director, OUCC, (317) 232-2494; Auditor's Trial Balance.